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## S&P Takes Various Rating Actions On Certain U.K., German, Austrian, And Swiss Banks Following Government Support Review

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- We have taken various rating actions on the operating and nonoperating holding companies (NOHCs) of certain systemically important U.K., German, and Austrian banking groups.
- We have also taken a rating action on Credit Suisse Group AG, the only rated NOHC of a systemically important Swiss banking group.
- We have lowered the issuer credit ratings on the U.K. and Swiss NOHCs to reflect our view that the prospect of extraordinary government support to the benefit of their senior creditors is now unlikely.
- In most cases, the outlook on these NOHCs is now stable.
- For most of the U.K., German, and Austrian operating companies, we have placed their long-term, and in some cases also their short-term, ratings on CreditWatch with negative implications.
- This reflects these countries' recent full implementation of the EU Bank Recovery and Resolution Directive, our view that extraordinary government support will likely become less predictable in the near term, but also

that we continue to see unresolved questions about how the legislation may operate in practice.

- For the Austrian banks, the CreditWatch placement also reflects the deteriorating operating environment in Russia, and in Central, Eastern, and South-Eastern Europe, which we believe could directly or indirectly impair these banks' operations. It also reflects risks associated with the high share of lending in Swiss francs in these banks' domestic and CEE/CIS operations.
- We expect to resolve all these CreditWatch placements by early May 2015.
- We revised to developing from negative the outlook on Germany-based Deutsche Pfandbriefbank AG (PBB), reflecting our view that the outcome of its reprivatization process is still uncertain.

LONDON (Standard & Poor's) Feb. 3, 2015--Standard & Poor's Ratings Services said today that it has taken various rating actions on certain U.K., German, Austrian, and Swiss banks following a review of government support. These actions reflect our view that extraordinary government support is now unlikely in the case of U.K. and Swiss nonoperating holding companies (NOHCs), and is likely to become less predictable for operating companies in the U.K., Germany, and Austria under newly enacted legislation that fully implemented the bail-in rules enshrined in the EU's Bank Recovery and Resolution Directive (BRRD) with effect from Jan. 1, 2015. However, for the operating companies we continue to see unresolved questions about how the legislation may operate in practice, certainly while banks remain in a transitional phase of building buffers of loss-absorbing debt instruments.

We reviewed the rated systemically important banking groups in the U.K., Germany, and Austria: seven in the U.K., five in Germany, and three in Austria. We also reviewed, where relevant, the NOHCs of these U.K. banking groups, as well as Credit Suisse Group AG, the only rated NOHC of a systemically important Swiss banking group.

As a result of our review, we took the following rating actions:

- We lowered our long-term ratings on the following bank NOHCs by one or two notches: Barclays PLC, Credit Suisse Group AG, HSBC Holdings PLC, HSBC USA Inc., and Lloyds Banking Group PLC. Where relevant, we affirmed the short-term ratings. The outlooks on these companies are now stable, with the exception of Lloyds, which is positive. We affirmed our ratings on the hybrid capital instruments issued by, or guaranteed by, these NOHCs.
- We lowered our long-term ratings by one or two notches and additionally lowered the short-term rating on the following bank NOHCs: The Royal Bank of Scotland Group PLC, and Standard Chartered PLC. The outlooks on these companies are also now stable. We affirmed our ratings on the hybrid capital instruments issued by, or guaranteed by, these NOHCs.
- We placed on CreditWatch with negative implications the long-term ratings on the following principal bank operating companies and certain of their affiliates: Standard Chartered Bank, The Royal Bank of Scotland PLC, and Commerzbank AG. Where relevant, we affirmed the short-term ratings.
- We placed on CreditWatch with negative implications the long- and

short-term ratings on the following principal bank operating companies and certain of their affiliates: Barclays Bank PLC, HSBC Bank PLC, Lloyds Bank PLC, Nationwide Building Society, Santander UK PLC, Deutsche Bank AG, NORDB/LB COVERED FINANCE BANK S.A, UniCredit Bank AG, Erste Group Bank AG and Raiffeisen Zentralbank Oesterreich, and UniCredit Bank Austria AG. We also placed on CreditWatch with negative implications the hybrid capital instruments issued by UniCredit Bank AG, UniCredit Bank Austria AG, and the insurance affiliates of Lloyds, including Scottish Widows PLC. We also placed on CreditWatch with negative implications the hybrid capital instruments issued by Raiffeisen Zentralbank Oesterreich, where they were not already on CreditWatch.

- We revised to developing from negative the outlook on Germany-based Deutsche Pfandbriefbank AG (PBB). At the same time, we affirmed the 'BBB/A-2' counterparty credit ratings on PBB, our 'BB' issue ratings on the bank's nondeferrable senior subordinated debt, and our 'D' issue rating on the bank's preferred stock.

For a full list of the counterparty credit ratings and outlooks on all banks see "RATINGS LIST" below.

Aside from PBB, UniCredit Bank AG and some of the Austrian banks, the ratings on the hybrid capital instruments (that is, tier 1 and tier 2 regulatory capital instruments) issued by bank operating companies in these U.K. and German banking groups are unaffected. We already consider that investors in these instruments, and those issued by European bank NOHCs, are unlikely to benefit from systemic support. We reviewed the hybrid capital instruments issued by the NOHCs due to our recent update of parts of our bank hybrid criteria relating to NOHC issuance (see "Standard & Poor's Updates Its Bank Hybrid Capital And Nondeferrable Subordinated Debt Methodology And Assumptions," published Jan. 29, 2015). We affirmed the ratings on these instruments because we see no rating implications from this criteria update.

Similarly, we did not review the operating companies of systemic Swiss banks because we continue to believe that extraordinary government support remains available to these companies for now. As we stated previously, we could nevertheless lower their ratings by year-end 2015 if we believe there is by then a greater likelihood that senior unsecured creditors may incur losses if the bank fails.

By and large, the CreditWatch placements of these bank operating companies led to the same action on their "core" and "highly strategic" subsidiaries where the ratings on those subsidiaries reflect an expectation that government support received by the parent would be downstreamed to the subsidiary. However, this is notably not the case for the Hong Kong subsidiaries of Standard Chartered PLC and HSBC Holdings PLC (and its rated subsidiaries). Their ratings are unaffected by the review because they reflect the subsidiaries' stand-alone credit strength and an (unchanged) expectation of potential systemic support from the Hong Kong government.

U.K. AND SWISS HOLDING COMPANIES

For U.K. NOHCs, the Bank of England (as resolution authority) envisages using NOHC debt obligations (whether issued as senior or subordinated instruments) as the vehicle for recapitalizing systemic banking groups in resolution. The rating action reflects our previously stated view that, having gained its statutory bail-in powers on Jan. 1, 2015, the BOE is now much better positioned to execute a swift and effective bail-in of NOHC creditors if the bank fails (see "Credit FAQ: The Rating Impact Of Resolution Regimes For European Banks," published April 29, 2014). We acknowledge that the U.K. regulators have not yet clarified the size of the buffer of total loss-absorbing capacity (TLAC) that they will require systemic U.K. banks to hold, and that in most cases these NOHCs have currently issued only a modest volume of TLAC. Nevertheless, even if the U.K. government decided to support the operating companies of systemic banks, we consider that it would likely be unwilling to extend that support to NOHC creditors and, indeed, that this would be unnecessary.

Our rating action on Credit Suisse Group acknowledges that the Swiss resolution authority (FINMA) is unlikely to gain bail-in power over bank NOHCs until early 2016. However, FINMA already has wide-ranging resolution powers to intervene in failing bank operating companies. We consider that the restructuring of the capital instruments issued by Credit Suisse AG could lead to the insolvency and so default of the NOHC. Furthermore, even if the Swiss government decided to support the operating companies of systemic Swiss banks, we now consider that it is uncertain whether the government would be willing to extend that support to NOHC creditors.

Until now, we have rated these NOHCs one notch below the group credit profile (GCP). This reflects the standard notching approach under our Group Rating Methodology (GRM) that recognizes the structural subordination of NOHC creditors' claims compared with those of operating companies. The GCPs of these banking groups currently include one or two notches of systemic support, over and above the "unsupported GCP"--that is, our view of the group's intrinsic creditworthiness.

In addition, the GRM indicates circumstances under which the NOHC notching gap to the GCP may widen further: for example, when the likelihood of regulatory intervention increases, or when the group is under stress. We have reflected the reduced prospects of systemic support by removing the one to two notches of support from our ratings on these NOHCs, leading to an outcome where they all are now rated one notch below the unsupported GCP. This reflects our understanding that the BOE and FINMA would likely fully convert or write-off the failed operating entity's regulatory capital instruments before the NOHC's senior debtholders would bear losses.

The stable outlooks on most of the U.K. and Swiss NOHCs reflect our view that there are currently no significant upward or downward pressures on these groups' unsupported GCPs and, largely as a result, we are unlikely to raise or lower the issuer credit ratings on these NOHCs within the two-year outlook horizon.

By contrast, Lloyds Banking Group PLC now has a positive outlook because we continue to see an at-least one-in-three chance that we will revise upward the unsupported GCP by one notch in the next 12 months. We expect further improvement in Lloyds' earnings and capitalization, and that its exposure to unexpected losses not captured within the standard assumptions of our risk-adjusted capital model may be moving into line with U.K. peers'. We could revise upward the unsupported GCP on Lloyds Banking Group PLC, and so the long-term rating, if we have greater confidence that Lloyds' gross nonperforming asset ratio will move into line with the long-term average of major U.K. banks, that Lloyds' loan book is no more susceptible than peers' to an unexpected downturn in the U.K. economy, and that residual tail risks related to its payment protection insurance (PPI) provisioning needs will not impair its capitalization.

#### U.K., GERMAN, AND AUSTRIAN BANK OPERATING COMPANIES

For the U.K., German, and Austrian banking groups, the rating actions reflect our understanding that their parliaments transposed the EU's BRRD into national law with effect from Jan. 1, 2015, including all its bail-in provisions (see "S&P Now Likely To Review Systemic Support For Austrian, German, And U.K. Bank Operating Companies In Early January 2015," published Nov. 25, 2014). In addition, we consider that extraordinary government support will likely become less predictable in the near term under the new legislation, but that important issues have not yet been resolved. As a result, we have placed the relevant operating company ratings on CreditWatch with negative implications.

We expect to resolve the CreditWatch placements by early May 2015. During this period, we expect to observe further progress by the European Banking Authority in refining important aspects of the BRRD requirements through their recommended technical standards and guidelines. We will also consider the extent to which any other reforms could also be necessary to develop an effective resolution framework and reduce implicit government support. The intent of policymakers is also an important factor, in our view.

For Austrian banks, we will also monitor closely the developments in the possible insolvency of Heta Asset Resolution AG--the run-down entity of former Hypo Group Alpe Adria--and the associated outcomes for creditors. We expect that the investigation into the potential costs to the taxpayer for the orderly wind-down of Heta and the government's related response may become evident before early May 2015. This may inform our view of the government's willingness to support senior creditors of systemic institutions. The CreditWatch placement of the ratings on Austrian banks also reflects our view of risks in countries in Central, Eastern, and South-Eastern Europe (CEE/SEE) and Russia in particular, which we believe could impair these banks' operations, and so lead to a downward revision of their unsupported stand-alone creditworthiness. We also highlight the risks associated with high share of lending in Swiss francs, in Austrian banks' domestic operations in CEE and the Commonwealth of Independent States (CIS).

On conclusion of the CreditWatch placements, the rating outcome for each

institution will reflect whether we reduce or remove systemic support notches. Notably, if we recategorize these countries as "support uncertain," we would remove all systemic support notches. The ratings on these banks currently benefit from one or two notches of systemic support. It would also reflect any relevant entity-specific factors, such as potential changes to banks' stand-alone credit profiles (SACPs) or unsupported GCPs. In addition, if we reduce or remove systemic support notches, in some cases we may include one notch in the issuer credit rating on a bank (see section "VI. Methodology: Setting The Issuer Credit Rating" of "Banks: Rating Methodology And Assumptions," published on Nov. 9, 2011). This is because we may also apply this notch of adjustment to the credit rating where a bank benefits from substantial financial flexibility to absorb losses while a going concern, if that flexibility is not otherwise captured in the SACP or unsupported GCP.

There is an additional consideration for Santander UK PLC, UniCredit Bank Austria AG, and UniCredit Bank AG. We currently rate these subsidiaries above their lower-rated bank parents: in each case, reflecting the subsidiary's SACP and uplift for potential systemic support from the U.K., Austrian, and German governments respectively. If we remove systemic support, we could only rate them above their parents if we consider them to be "insulated"--that is, if we consider the subsidiary's resources and prospects to be substantially protected from adverse parental effects or intervention. We currently consider it less likely that we would reach this conclusion for the two UniCredit subsidiaries due to their relatively close business ties with the parent and our view that the advent of the single supervisory mechanism in the eurozone likely reduces any previous capacity of the host regulator to impede the flow of resources from subsidiary to parent.

Similar considerations apply to Scottish Widows PLC and Clerical Medical Investment Group Ltd., the rated insurance affiliates of Lloyds Banking Group. If we revise downward the 'a' GCP of Lloyds, we could only rate these insurance companies above the GCP if we consider them to be "insulated". We currently consider this to be an unlikely outcome. The hybrid capital instruments issued or guaranteed by these entities would also be downgraded because they are notched from the issuer credit ratings.

#### U.K. operating companies

The CreditWatch placement on the seven U.K. banks' relevant operating companies reflects the possibility that we may remove all systemic support notches. This could lead to a one-notch downgrade for HSBC Bank PLC and Standard Chartered Bank (and their relevant affiliates), and a downgrade of up to two notches for Barclays Bank PLC, Lloyds Bank PLC, Nationwide Building Society, Santander UK PLC, and The Royal Bank of Scotland PLC (and their relevant affiliates).

In the case of Barclays, HSBC, Santander UK PLC, Standard Chartered, and RBS, we currently see no significant upward or downward pressure on their unsupported GCPs. Notably, for RBS we no longer see downside risk to the 'bbb' unsupported GCP because we believe that the group has made strong progress over the past 12-18 months in executing its latest restructuring plan, most

notably the IPO of Citizens, the brisk rundown of its "bad bank," and the stronger-than-expected improvement in asset quality.

As noted above, we currently see a significant possibility that we could revise upward the 'bbb+' unsupported GCP of Lloyds by one notch in the next 12 months. Similarly for Nationwide, it is possible that we may revise up the 'bbb+' unsupported GCP within the two-year outlook horizon. This could reflect the stronger-than-expected recovery in Nationwide's earnings, and the more successful performance and deleveraging of its commercial real estate book than expected, combined with ongoing improvements in its capitalization. If we consider that Nationwide's loan loss experience will revert to being materially superior to that of U.K. peers, and that loan growth and risk appetite will not alter relative to peers, we could revise our assessment of its risk position to "strong" from "adequate" and therefore revise up the SACP.

#### German operating companies

The CreditWatch placement on UniCredit Bank AG, Commerzbank AG, and Deutsche Bank AG (and their relevant affiliates) reflects the possibility that we may remove all systemic support notches. This could lead to an up to three-notch downgrade of the long-term rating on UniCredit Bank AG, and an up to two-notch downgrade for the others.

We currently see no significant reasons for improvement in these banks' unsupported GCPs. By contrast, because we currently view the economic risk trend for German banks as negative, according to our Banking Industry Country Risk Assessment (BICRA) methodology, this could in time put pressure on the unsupported GCP of Deutsche Bank, PBB, and Commerzbank. We could also revise down Deutsche Bank's unsupported GCP if outside litigation charges or adverse regulatory developments put material pressure on the bank's business position or capital and earnings.

For PBB, the outlook revision to developing from negative reflects our view of the uncertainty surrounding the outcome of the bank's reprivatization process, as we currently consider a disposal of PBB by the German government in 2015 as equally likely as an orderly wind-down of the bank under government ownership. In particular, we might lower the long-term issuer credit rating--probably by one notch--if the German government were to dispose of PBB. However, we would also take into account the new owner's ability and commitment to support PBB. Conversely, we might raise the long-term counterparty credit rating on PBB by one or more notches if the German government were to request and receive approval for an orderly run-down under government ownership. We expect more clarity on PBB's future to emerge during this year (for more details, see "Deutsche Pfandbriefbank Outlook Revised To Developing On Reprivatization Uncertainties; 'BBB/A-2' Ratings Affirmed").

#### Austrian operating companies

The CreditWatch placement of Erste Group Bank AG, Raiffeisen Zentralbank Oesterreich, and UniCredit Bank Austria AG (and their relevant affiliates) reflects the possibility that we may remove all systemic support notches, as

well as the current negative notch of adjustment. It also reflects our view that the weakening performance of these banks' operations in some of the CEE/SEE countries could put pressure on their unsupported GCPs. This notably stems from the deteriorating operating environment in Russia and potential impact on the CEE/CIS region, but also from risk spots in CEE, like Hungary, Romania, and Croatia. We also highlight the risks associated with the high share of Swiss franc (CHF) lending in the Austrian banks' domestic and CEE/CIS operations. Over the medium to longer term, such loans could create challenges for the banks' profitability in the event of continued strong appreciation of the Swiss franc as the market risk as a result of unhedged customer loans would translate into credit risk for banks. Finally, we currently view the BICRA trend for industry risk for Austrian banks as negative: a downward revision of this score would pressure Erste's and RZB's unsupported GCPs.

These factors could lead to a downgrade of up to two notches for all three of these banks.

We will respond to questions from market participants regarding the rating actions in "Credit FAQ: The Rating Implications Of The Emerging Bank Resolution Frameworks In The U.K., Germany, Austria, And Switzerland," which will be available on RatingsDirect. Ratings on specific issues will be available on RatingsDirect and at [www.standardandpoors.com](http://www.standardandpoors.com).

#### TELECONFERENCE DETAILS

#### LIVE WEBCAST & Q&A

TITLE: Rating Actions Taken On Certain U.K., German, Austrian & Swiss Banks

DATE: Wednesday, Feb. 4, 2015

Join our senior bank analysts on Wednesday, Feb. 4, 2015 for a live audio webcast where they will explain the rationale behind these rating actions.

#### Time:

3:00 p.m. Greenwich Mean Time

4:00 p.m. Central European Time

10:00 a.m. Eastern Standard Time

Click on the following link to see speakers and register for this complimentary webcast:

[https://event.on24.com/eventRegistration/EventLobbyServlet?target=reg20.jsp&eventid=934949&sessionid=1&key=306E1E2FC3A872B6B65CA3E30E43A5F1&sp\\_mid=47515&sp\\_rid=1367094&sourcepage=register](https://event.on24.com/eventRegistration/EventLobbyServlet?target=reg20.jsp&eventid=934949&sessionid=1&key=306E1E2FC3A872B6B65CA3E30E43A5F1&sp_mid=47515&sp_rid=1367094&sourcepage=register)

Standard & Poor's Ratings Services' Webcasts deliver audio in a streamlined console. You will need computer speakers or headphones to listen to the audio stream. You may submit your questions for the presenters in real-time via the red Q&A icon located at the bottom of the screen.



A replay of the webcast will be made available shortly after the session has concluded and will be accessible until Friday, April 3, 2015. The link is the same as the registration link above. Please feel free to forward this invitation to any interested colleagues.

Visit our "Themes in Global Banking" webpage for related articles and multimedia

[https://www.spratings.com/financial-institutions/banks/Global-Banking.html?sp\\_m\\_id=47515&sp\\_rid=1367094](https://www.spratings.com/financial-institutions/banks/Global-Banking.html?sp_m_id=47515&sp_rid=1367094)

#### RELATED CRITERIA AND RESEARCH

##### Related criteria

- Bank Hybrid Capital And Nondeferrable Subordinated Debt Methodology And Assumptions, Jan. 29, 2015
- Group Rating Methodology, Nov. 19, 2013
- Revised Market Risk Charges For Banks In Our Risk-Adjusted Capital Framework, June 22, 2012
- Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Bank Capital Methodology And Assumptions, Dec. 6, 2010
- Use Of CreditWatch And Outlooks, Sept. 14, 2009

##### Related research

- Credit FAQ: The Rating Implications Of The Emerging Bank Resolution Frameworks In U.K., Germany, Austria, And Switzerland, Feb. 3, 2015
- Deutsche Pfandbriefbank Outlook Revised To Developing On Reprivatization Uncertainties; 'BBB/A-2' Ratings Affirmed, Feb. 3, 2015
- S&P Now Likely To Review Systemic Support For Austrian, German, And U.K. Bank Operating Companies In Early January 2015, Nov. 25, 2014
- Austria, Germany, And The U.K. Are Set To Fast Track EU Bank Bail-In Rules, Sept. 29, 2014
- How The Regulatory Reform Process Could Reshape Banks' Business Models And Affect Issuer Ratings, Aug. 18, 2014
- Standard & Poor's Takes Various Rating Actions On European Banks Following Government Support Review, April 29, 2014
- Credit FAQ: The Rating Impact Of Resolution Regimes For European Banks, April 29, 2014

#### RATINGS LIST

##### Affirmed

##### Barclays PLC

Short-Term Counterparty Credit Rating      A-2

##### BHW Bausparkasse AG Hameln

##### Deutsche Bank National Trust Co.

Short-Term Counterparty Credit Rating      A-2

*S&P Takes Various Rating Actions On Certain U.K., German, Austrian, And Swiss Banks Following Government Support Review*

Commerzbank AG		
Short-Term Counterparty Credit Rating		A-2
HSBC Holdings PLC		
HSBC USA Inc.		
Short-Term Counterparty Credit Rating		A-1
Lloyds Banking Group PLC		
HBOS PLC		
Short-Term Counterparty Credit Rating		A-2
Royal Bank of Scotland PLC (The)		
National Westminster PLC		
Royal Bank of Scotland N.V		
Royal Bank of Scotland N.V (Milan Branch) (The)		
Royal Bank of Scotland PLC (Connecticut Branch)		
RBS Securities Inc.		
Short-Term Counterparty Credit Rating		A-2
Standard Chartered Bank		
Standard Chartered Bank (China) Ltd.		
Standard Chartered Bank (Korea) Ltd.		
Short-Term Counterparty Credit Rating		A-1
Downgraded		
	To	From
Barclays PLC		
Long-Term Counterparty Credit Rating	BBB/Stable	A-/Negative
Credit Suisse Group AG		
Counterparty Credit Rating	BBB+/Stable/--	A-/Negative/--
Lloyds Banking Group PLC		
HBOS PLC		
Long-Term Counterparty Credit Rating	BBB/Positive	A-/Negative
HSBC Holdings PLC		
HSBC USA Inc.		
Long-Term Counterparty Credit Rating	A/Stable	A+/Negative
Royal Bank of Scotland Group PLC (The)		
Counterparty Credit Rating	BBB-/Stable/A-3	BBB+/Negative/A-2

*S&P Takes Various Rating Actions On Certain U.K., German, Austrian, And Swiss Banks Following Government Support Review*

Standard Chartered PLC		
Counterparty Credit Rating	A-/Stable/A-2 cnAA	A/Negative/A-1 cnAA+
CreditWatch Action		
	To	From
Barclays Bank PLC		
Barclays Bank PLC (Madrid Branch)		
Barclays Bank PLC (Milan Branch)		
Barclays Bank Ireland PLC		
Barclays Capital Inc.		
Barclays Private Clients International Ltd		
Counterparty Credit Rating	A/Watch Neg/A-1	A/Negative/A-1
Commerzbank AG		
Long-Term Counterparty Credit Rating	A-/Watch Neg	A-/Negative
mBank		
Counterparty Credit Rating	BBB+/Watch Neg/A-2	BBB+/Negative/A-2
Deutsche Bank AG		
Deutsche Bank AG (Canada branch)		
Deutsche Bank AG (Cayman Islands branch)		
Deutsche Bank AG (London branch)		
Deutsche Bank AG (Madrid branch)		
Deutsche Bank AG (Milan branch)		
Deutsche Bank Luxembourg S.A.		
Deutsche Bank Securities Inc.		
Deutsche Bank Trust Corp.		
Deutsche Bank Trust Co. Americas		
Deutsche Bank Trust Co. Delaware		
Counterparty Credit Rating	A/Watch Neg/A-1	A/Negative/A-1
BHW Bausparkasse AG Hameln		
Deutsche Bank National Trust Co.		
Long-Term Counterparty Credit Rating	A-/Watch Neg	A-/Negative
Erste Group Bank AG		
Ceska Sporitelna a.s.		
Counterparty Credit Rating	A-/Watch Neg/A-2	A-/Negative/A-2
HSBC Bank PLC		
HSBC Bank Canada		
HSBC France		
HSBC Bank USA N.A.		
HSBC Securities (USA) Inc.		
Counterparty Credit Rating	AA-/Watch Neg/A-1+	AA-/Negative/A-1+

*S&P Takes Various Rating Actions On Certain U.K., German, Austrian, And Swiss Banks Following Government Support Review*

Lloyds Bank PLC		
Bank of Scotland PLC		
Scottish Widows PLC		
Clerical Medical Investment Group Ltd.		
Counterparty Credit Rating	A/Watch Neg/A-1	A/Negative/A-1
Nationwide Building Society		
Counterparty Credit Rating	A/Watch Neg/A-1	A/Negative/A-1
NORD/LB COVERED FINANCE BANK S.A.		
Counterparty Credit Rating	BBB+/Watch Neg/A-2	BBB+/Negative/A-2
Raiffeisen Bank International AG		
Raiffeisen Zentralbank Oesterreich		
Counterparty Credit Rating	A-/Watch Neg/A-2	A-/Negative/A-2
Royal Bank of Scotland PLC (The)		
Royal Bank of Scotland PLC (Connecticut Branch) (The)		
National Westminster Bank PLC		
Royal Bank of Scotland N.V. (The)		
Royal Bank of Scotland N.V. (Milan Branch) (The)		
RBS Securities Inc.		
Long-Term Counterparty Credit Rating	A-/Watch Neg	A-/Negative
Santander UK PLC		
Counterparty Credit Rating	A/Watch Neg/A-1	A/Negative/A-1
Standard Chartered Bank		
Long-Term Counterparty Credit Rating	A+/Watch Neg	A+/Negative
ASEAN regional scale ratings	axAAA/Watch Neg/axA-1+	axAAA/---/axA-1+
Standard Chartered Bank (China) Ltd		
Long-Term Counterparty Credit Rating	A+/Watch Neg	A+/Negative
Greater China scale ratings	cnAAA/Watch Neg/cnA-1+	cnAAA/---/cnA-1+
Standard Chartered Bank (Korea) Ltd		
Long-Term Counterparty Credit Rating	A+/Watch Neg	A+/Negative
Ulster Bank Ireland Ltd.		
Ulster Bank Ltd.		
Counterparty Credit Rating	BBB+/Watch Neg/A-2	BBB+/Negative/A-2

*S&P Takes Various Rating Actions On Certain U.K., German, Austrian, And Swiss Banks Following Government Support Review*

UniCredit Bank AG		
Counterparty Credit Rating	A-/Watch Neg/A-2	A-/Negative/A-2
UniCredit Bank Austria AG		
Counterparty Credit Rating	BBB+/Watch Neg/A-2	BBB+/Negative/A-2
Outlook Revision		
	To	From
Deutsche Pfandbriefbank AG	BBB/Developing/A-2	BBB/Negative/A-2

NB: This list does not include all the ratings affected.

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